

WSSC PROPOSED: FORECAST FOR WATER & SEWER OPERATING FUNDS

FISCAL PROJECTIONS	FY06 ESTIMATED	FY07 PROPOSED	FY07 RECOMMENDED	FY08 PROJECTION	FY09 PROJECTION	FY10 PROJECTION	FY11 PROJECTION	FY12 PROJECTION
ASSUMPTIONS (\$000)								
New Water/Sewer Debt	\$113.7	\$135.3	\$131.1	\$138.8	\$139.9	\$155.4	\$135.8	\$128.1
Total Water/Sewer Operating Expenses	\$415.1	\$424.0	\$423.7	\$434.5	\$457.3	\$469.0	\$482.0	\$494.1
Debt Service	\$150.5	\$151.8	\$151.5	\$156.8	\$165.4	\$169.8	\$172.0	\$172.0
Total Water/Sewer Bill Increase	2.5%	3.0%	3.0%	4.6%	4.9%	4.1%	2.8%	2.3%
BEGINNING FUND BALANCE	77,719	65,955	65,955	57,348	53,758	47,618	46,708	46,708
REVENUES								
Water & Sewer Rate Revenue	342,378	351,738	351,738	369,690	389,429	407,352	420,761	432,384
Interest Income	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Account Maintenance Fee (Service Chg)	22,100	22,400	22,400	22,700	23,000	23,300	23,600	23,900
Miscellaneous	22,920	23,103	23,103	22,780	23,080	23,380	23,680	23,980
Total Revenues	390,898	400,741	400,741	418,670	439,009	457,532	471,541	483,764
SDC Debt Service Offset	2,905	2,809	2,809	2,710	2,611	2,512	2,413	2,314
Reconstruction Debt Service Offset	8,000	10,000	10,000	8,000	8,000	8,000	8,000	8,000
Use of Prior Year Net Revenue	17,246	10,412	10,412	5,090	7,640	910	0	0
Less Rate Stabilization	(1,482)	0	0	0	0	0	0	0
TOTAL FUNDS AVAILABLE	417,567	423,962	423,962	434,470	457,260	468,954	481,954	494,078
EXPENDITURES								
Salaries and Wages	78,231	82,050	82,050	84,616	88,002	91,523	95,185	98,994
Heat, Light, and Power	16,677	20,251	20,251	21,131	23,002	24,371	25,452	26,633
Regional Sewage Disposal	36,060	37,502	37,502	38,627	39,786	40,980	42,209	43,476
Debt Service	150,502	151,833	151,528	156,765	165,364	169,765	172,045	172,030
Debt Reduction (PAYGO)	13,024	1,482	1,482	0	0	0	0	0
All Other	120,573	130,844	130,844	133,331	141,106	142,315	147,063	152,945
TOTAL USE OF RESOURCES	415,067	423,962	423,657	434,470	457,260	468,954	481,954	494,078
REVENUE/EXPENDITURE SURPLUS/(GAP)	2,500	0	305	0	0	0	0	0
YEAR END FUND BALANCE w/o additional \$1.5 m reserve	64,455	55,543	55,848	52,258	46,118	46,708	46,708	46,708
Additional \$1.5 million Reserve Annual Contribution	1,500	1,500	1,500	1,500	1,500	0	0	0
TOTAL YEAR END FUND BALANCE	65,955	57,043	57,348	53,758	47,618	46,708	46,708	46,708
Debt Service as a Percent of Budget	36.3%	35.8%	35.8%	36.1%	36.2%	36.2%	35.7%	34.8%
Estimated Water Production (MGD)	168.7	168.5	168.5	169.0	169.5	170.0	170.5	171.0
5% Reserve (water and sewer revenue)	17,119	17,587	17,587	18,485	19,471	20,368	21,038	21,619

Assumptions:

1. FY08-12 reflects WSSC's multi-year forecast and assumptions which are not adjusted to conform with the County Executive's Recommended CIP for WSSC. The projected future expenditures, revenues, and fund balances may be based on changes to rates, fees, usage, inflation, future labor agreements, and other factors not assumed here.
2. The County Executive's operating budget recommendation is for FY07 only and includes the revenue and resource assumptions of that budget.
3. Rate stabilization is the implementation of a customer bill increase greater than the amount needed to support planned operating expenses in order to avoid a large future bill increase and to fund capital projects with cash to avoid the issuance of additional debt.